

HOUSE FINANCE COMMITTEE
May 14, 2024
1:38 p.m.

1:38:50 PM

CALL TO ORDER

Co-Chair Foster called the House Finance Committee meeting to order at 1:38 p.m.

MEMBERS PRESENT

Representative DeLena Johnson, Co-Chair
Representative Julie Coulombe
Representative Mike Cronk
Representative Alyse Galvin
Representative Sara Hannan
Representative Andy Josephson
Representative Dan Ortiz
Representative Will Stapp
Representative Frank Tomaszewski

MEMBERS ABSENT

Representative Bryce Edgmon, Co-Chair
Representative Neal Foster, Co-Chair

ALSO PRESENT

Lisa Purinton, Director, Division of Statewide Services and Legislative Liaison, Department of Public Safety; Kimberly Kolvig, Legislative Liaison, Department of Labor and Workforce Development.

PRESENT VIA TELECONFERENCE

Tanya Keith, Director, Labor Standards and Safety, Department of Labor and Workforce Development.

SUMMARY

HB 149 NURSING: LICENSURE; MULTISTATE COMPACT

HB 149 was SCHEDULED but not HEARD.

HB 159 REGISTER INTERIOR DESIGNERS

CSHB 159(L&C) was REPORTED out of committee with four "do pass" recommendations, three "no recommendation" recommendations, two "amend" recommendations and with one previously published fiscal impact note: FN2 (CED).

HB 275 SEXUAL ASSAULT EXAMINATION KITS/TRACKING

CSHB 275(FIN) was REPORTED out of committee with nine "do pass" recommendations and with one previously published fiscal impact note: FN2 (DPS).

SB 204 CERT. OF FITNESS: PLUMBERS/ELECTRICIANS

HCS SB 204(FIN) was REPORTED out of committee with five "do pass" recommendations, two "no recommendation" recommendations, two "amend" recommendations and with one previously published fiscal impact note: FN2 (DOL).

Co-Chair Foster reviewed the meeting agenda.

#hb159

HOUSE BILL NO. 159

"An Act relating to registered interior designers and interior design; establishing requirements for the practice of registered interior design; renaming the State Board of Registration for Architects, Engineers, and Land Surveyors the State Board of Registration for Design Professionals; relating to the State Board of Registration for Design Professionals; relating to liens for labor or materials furnished; relating to the procurement of interior design services; and providing for an effective date."

[1:39:51 PM](#)

Co-Chair Foster relayed that the committee had heard the bill once and had taken public testimony and reviewed the fiscal notes. He noted that no amendments had been received.

Representative Stapp MOVED to REPORT CSHB 159(L&C) out of committee with individual recommendations and the accompanying fiscal note.

Representative Josephson OBJECTED. He understood there was a lot of passion surrounding the bill and he wished those involved could reach a compromise. He noted there had been concern raised by the former chair of the AELS [Architects, Engineers, and Land Surveyors] Board about the word "construction" in the bill. He remarked that the board failed to support the concept of a practice license. He was troubled that the interior designers with around 21 members would get a seat and the architects with over 600 members would get two seats [on the board]. He likened the situation to giving California 10 congressmembers instead of 55. He did not believe the situation was fair. He added that there were only two states that did what the bill aimed to do.

Representative Galvin shared that she had heard from one constituent who was very concerned about the bill. She had received dozens of emails from individuals who were ready to see the classification put in order.

Representative Tomaszewski highlighted that the public testimony was two to one in favor of the legislation. He supported moving the bill from committee.

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A roll call vote was taken on the motion.

IN FAVOR: Cronk, Galvin, Coulombe, Hannan, Stapp,
Tomaszewski, Ortiz, Foster
OPPOSED: Josephson

The MOTION PASSED (8/1).

Co-Chair Johnson and Co-Chair Edgmon were absent from the vote.

There being NO further OBJECTION, CSHB 159(L&C) was REPORTED out of committee with four "do pass" recommendations, three "no recommendation" recommendations, two "amend" recommendations and with one previously published fiscal impact note: FN2 (CED).

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AT EASE

1:44:48 PM

RECONVENED

#hb275

HOUSE BILL NO. 275

"An Act relating to sexual assault examination kits; establishing the sexual assault examination kit tracking system; and providing for an effective date."

Co-Chair Foster asked to hear a brief recap of the bill from the Department of Public Safety (DPS).

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LISA PURINTON, DIRECTOR, DIVISION OF STATEWIDE SERVICES, AND LEGISLATIVE LIAISON, DEPARTMENT OF PUBLIC SAFETY, reviewed that HB 275 was a victim centric bill that added transparency for the victims needing to undergo a sexual assault examination kit. The bill allowed victims to have access to an application maintained by DPS in order for them to see the status of the kit at any stage in the process from the time the medical provider processed the kit to the time law enforcement collected it and turned it into the state crime lab to the time the lab took to complete the testing. The bill amended the crime victim's right statute by codifying in law that victims had the right to view the information for the sexual assault kits.

Representative Josephson MOVED to ADOPT Amendment 1, 33-GH2317\B.2 (C. Radford, 5/9/24) (copy on file):

Page 3, line 27"

Delete "seven"

Insert "14"

Representative Stapp OBJECTED for discussion.

Representative Josephson explained that the amendment would change the timeframe in which gathered evidence was to be forwarded to the appropriate law enforcement agency from seven to 14 days. He detailed that the committee had heard testimony about the practicality of meeting the seven-day

timeline. The amendment was consistent with the Senate's version of the bill.

Co-Chair Foster asked if Ms. Purinton or another individual had suggested the change may be a good one.

Ms. Purinton responded that the 14-day change had been made to the companion version of the bill, SB 193, and the department had no objections to the change. The intention of the bill was not meant to penalize, it was to ensure that each step of the process had a definitive timeline for standards to meet.

Representative Stapp WITHDREW the OBJECTION.

There being NO further OBJECTION, Amendment 1 was ADOPTED.

Co-Chair Foster noted that the committee had previously reviewed the fiscal note and taken public testimony. He asked for any further comments from the department.

Ms. Purinton replied that the department appreciated the committee's work and support.

Representative Stapp MOVED to REPORT CSHB 275(FIN) out of committee with individual recommendations and the accompanying fiscal note.

There being NO OBJECTION, CSHB 275(FIN) was REPORTED out of committee with nine "do pass" recommendations and with one previously published fiscal impact note: FN2 (DPS).

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AT EASE

[1:51:36 PM](#)

RECONVENED

#sb204

SENATE BILL NO. 204

"An Act relating to the issuance of certificates of fitness for plumbers and electricians; relating to fees for certificates of fitness for plumbers and electricians; and providing for an effective date."

Co-Chair Foster relayed that the committee would hear an introduction and public testimony, review the fiscal note, address an amendment, and report the bill out if it was the will of the committee. He asked the Department of Labor and Workforce Development (DLWD) to provide an introduction of the bill. He noted the legislation was by request of the administration.

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KIMBERLY KOLVIG, LEGISLATIVE LIAISON, DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT, relayed that the legislation pertained to certificates of fitness for plumbers and electricians. The bill made two changes. First, the bill would change the trainee level certificate of fitness for plumbers and electricians from two years to six years. Currently, if a trainee failed to renew their certificate of fitness, the hours worked during the lapsed time could not be counted towards the journeyman certification. In the past five years, approximately 36,000 days of labor were worked by electrical and plumbing trainees with a lapsed certificate and the time was not counted towards their journeyman license.

Ms. Kolvig elaborated that changing to the six-year certificate of fitness took into consideration the apprenticeship period, which was typically about four years, plus anything unforeseen that may occur during the apprenticeship period. Trainee certificates after July 1, 2022, and before the effective date of the act, would not be required to reapply or repay the fees. Second, the amendment would increase the fee for issuance of journeyman level certificates or renewal certificates from \$200 to \$300. The journeyman two-year certification had been in effect since 2006 and it had been 18 years since the fee had increased. The fee increase would cover the loss in revenue created by the changes to trainee certificate of fitness as the Mechanical Inspection Unit was funded through program receipts. She noted that there had been no changes to the legislation along the way. She shared that a colleague would speak to any questions on an amendment that may be offered. She added that the unions all supported the legislation.

Ms. Kolvig relayed that the legislation would avoid the difficult situation of having to reject training hours because the certificate of fitness was not valid.

Additionally, the bill would eliminate days in trainees becoming a journeyman plumber or electrician who were much needed in Alaska. She noted a colleague was online to review the fiscal note and respond to any questions related to an amendment.

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Co-Chair Foster OPENED public testimony.

Co-Chair Foster CLOSED public testimony.

[1:56:15 PM](#)

Co-Chair Foster asked the department to review the fiscal note.

TANYA KEITH, DIRECTOR, LABOR STANDARDS AND SAFETY, DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT (via teleconference), reviewed the DLWD fiscal note, OMB component 346, control code cHaip. The fiscal note reflected the change in fees. She noted that fees were increased based on the Consumer Price Index (CPI). There would be a reduction in fees associated with the less frequent updating of the certificate of fitness. The fiscal note showed the projected increase in revenue to be collected by DLWD as a result of the legislation.

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Representative Galvin understood that many sectors had been reducing fees in order to encourage people to choose that line of work. She wondered what the discussion was around the particular line of work for plumbers and electricians. She asked if there was a sense that the increase would not deter anyone from going into the field. She observed that the fee was going up \$100 and she recognized the certificate would be good for six years instead of two. She noted that individuals would be at the beginning of their career, and she wanted to ensure the change would not deter individuals from the specific line of work.

Ms. Keith responded that the change in fee would only apply to the journeyman license. She clarified that the certificate of fitness for the trainee license would remain at the \$200 every six years. The department recognized that

people entering the trades were earning much less at a training rate.

Representative Galvin thought she saw the change on page 2, line 6.

Representative Tomaszewski believed it seemed like a big increase. He noted that he paid the fee every two years because he held an electrician journeyman level certificate. He surmised he would be paying \$25 per month to continue to have his license. He asked if there had been any discussion in changing the journeyman's timeframe to four or six years. He estimated the cost was \$12.50 per month for two years. He asked how many journeyman level plumbers and electricians there were in Alaska and how much money the new fee would generate.

Ms. Keith responded that in 2023, there were 3,386 electrical journeyman and 1,184 plumbers. The fee increase was due to an inflationary increase. The department did not want a fee increase to have a substantial impact; therefore, it had increased the fee based on the amount of inflation.

Representative Tomaszewski estimated the combined number of electricians and plumbers was about 4,570. He asked what the \$100 increase would generate in a two-year period.

Ms. Keith responded that the fiscal note reflected the increase in revenue the department would collect based on the increase in fees. She explained that the Mechanical Inspection Unit was self-funded. Since inflation and costs had increased, the unit had to cut back on services. She relayed that the lapsed time the certificate of issuance certificate increased dramatically making plumbers and electricians waiting for their licenses to wait for a longer period of time. Increasing the fees would enable the department to update databases and services in order to provide services to the public in a timelier manner.

Representative Tomaszewski asked if the change equaled \$105,000.

Ms. Keith responded in the affirmative.

[2:04:19 PM](#)

Co-Chair Foster moved to the amendment.

Representative Josephson MOVED to ADOPT Amendment 1, 33-GS2370\A.3 (Gunther, 5/8/24) (copy on file):

Page 2, following line 1:

Insert a new bill section to read:

"*Sec. 2. AS 18.62.020 is amended by adding a new subsection to read:

(b) The department may adopt regulations allowing for the issuance of a provisional certificate of fitness to an individual who applies for a certificate of fitness under (a) of this section and holds a comparable certificate in another jurisdiction."

Renumber the following bill sections accordingly.

Representative Stapp OBJECTED for discussion.

Representative Josephson characterized Amendment 1 as a friendly amendment that he believed was supported by the department and labor. He had been told secondhand that the industry supported it. The amendment would allow people to receive a provisional certificate of fitness when applying for a certificate of fitness.

Co-Chair Foster asked if DLWD had any comments on the amendment.

Representative Josephson corrected that he did not know the department's position.

Ms. Keith relayed that the department was in support of the amendment. She explained that individuals licensed in another state (with a similar licensing structure to Alaska) coming to work in Alaska had to take a test before they were allowed to work, which could result in a waiting period of up to a month or longer. The amendment would allow DLWD to offer a provisional license so individuals could work while waiting for their certificate of fitness in Alaska to come through.

[2:06:42 PM](#)

Representative Stapp noted that he had heard the argument previously related to other issues. He WITHDREW the OBJECTION.

Co-Chair Foster OBJECTED for discussion.

Representative Hannan asked about a scenario where an out-of-state contractor came to Alaska to work and brought their own electricians and plumbers. She asked if the individuals had to be licensed in Alaska to work under a general contractor in the state.

Ms. Keith responded that anyone coming into Alaska to perform any type of trade work had to have an Alaska certificate of fitness. She explained that the scenario provided by Representative Hannan was exactly the situation where DLWD would be looking to grant individuals with a provisional certificate of fitness to allow them to begin work immediately.

Representative Galvin asked if a one-month period for the provisional certificate was sufficient. She wondered if there was concern that if the provisional certificate was good for longer than one month that individuals would come to the state to work for a month and would leave [without ever obtaining their certificate of fitness]. She assumed the goal was to have individuals eventually get the certificate.

Ms. Keith responded that she was not sure if she had seen the particular version of the amendment currently under consideration. The amendment she had seen did not include a timeframe.

Representative Galvin thought she had heard one of the speakers mention one month but she considered that perhaps a timeframe was not in the amendment. She asked the amendment sponsor to clarify.

Representative Josephson responded that he did not know the timeline. He agreed with Ms. Keith that the amendment would enable the department to adopt regulations.

Representative Galvin thought that it would make sense to attach a specific timeframe to a provisional certificate. She believed "provisional" implied that something was temporary until another hurdle or paperwork was complete. She noted she was agnostic on the issue.

Ms. Keith responded that the department would make regulations that would specify a time frame. She assumed it

would be closer to 90 days to give an individual the time to complete the steps needed to obtain the certificate of fitness.

Co-Chair Foster WITHDREW the OBJECTION.

There being NO further OBJECTION, Amendment 1 was ADOPTED.

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Representative Tomaszewski asked about the fiscal note. He remarked that it had been stated there were 4,570 electricians and plumbers and the bill would increase their fee by \$100 for the two-year period. He calculated the total as \$228,500 per year. He highlighted that the fiscal note specified the department was losing \$58,700 and increasing \$164,500 in other license fees with a total revenue change of \$105,000. He wondered where the other \$64,000 was going.

Ms. Keith believed the reduction reflected the amount the department would lose associated with the trainee certificate of fitness. There were some additional licenses outside of journeyman electricians and plumbers including boilermakers. She noted the additional licenses may make up the amount.

Representative Tomaszewski remarked that based on the department's testimony related to electricians and plumbers there was an increase of \$457,000 over two years, which was \$228,500 per year. He reasoned that the department was only getting rid of \$58,000. He stated that the numbers did not add up to him, but he assumed there were other factors in play.

Ms. Keith responded that Representative Tomaszewski could be right. She relayed that the fiscal note was vetted through DLWD and budget and "that is the amount of the change in increase."

[2:14:06 PM](#)

Representative Stapp MOVED to REPORT HCS SB 204 (FIN) out of committee with individual recommendations and the accompanying fiscal note.

There being NO OBJECTION, HCS SB 204(FIN) was REPORTED out of committee with five "do pass" recommendations, two "no recommendation" recommendations, two "amend" recommendations and with one previously published fiscal impact note: FN2 (DOL).

Co-Chair Foster noted that the committee gave Legislative Legal Services the authority to make technical and conforming changes with the adoption of the amendment. He noted that a number of committee members needed to leave for a meeting. He remarked that the committee may reconvene later to address HB 149. He thanked the House Finance Committee nonpartisan staff, finance members, and his staff.

[2:16:54 PM](#)

AT EASE

[2:17:09 PM](#)

RECONVENED

Co-Chair Foster thanked the committee and staff for their work throughout session. He RECESSED the meeting to a call of the chair.

[Note: the meeting never reconvened.]

#

ADJOURNMENT

[2:17:31 PM](#)

The meeting was adjourned at 2:17 p.m.